

ARTS BOARD

Budget Summary							
Fund	2000-01 Base Year Doubled	2001-03 Governor	2001-03 Jt. Finance	2001-03 Legislature	2001-03 Act 16	Act 16 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$5,110,400	\$5,126,800	\$5,126,800	\$5,126,800	\$5,126,800	\$16,400	0.3%
FED	1,271,600	1,161,800	1,161,800	1,161,800	1,161,800	- 109,800	- 8.6
PR	90,400	90,400	90,400	90,400	90,400	0	0.0
TOTAL	\$6,472,400	\$6,379,000	\$6,379,000	\$6,379,000	\$6,379,000	- \$93,400	- 1.4%

FTE Position Summary						
Fund	2000-01 Base	2002-03 Governor	2002-03 Jt. Finance	2002-03 Legislature	2002-03 Act 16	Act 16 Change Over 2000-01 Base
GPR	5.00	5.00	5.00	5.00	5.00	0.00
FED	6.00	6.00	6.00	6.00	6.00	0.00
PR	1.00	1.00	1.00	1.00	1.00	0.00
TOTAL	12.00	12.00	12.00	12.00	12.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	\$30,200
FED	- 9,800
Total	\$20,400

Governor/Legislature: Adjust the base budget by \$15,100 GPR and -\$4,900 FED annually for: (a) full funding of salaries and fringe benefits (\$5,300 GPR and -\$4,900 FED annually); (b) reclassification of positions (\$8,800 GPR annually); and (c) fifth week of vacation as cash (\$1,000 GPR annually).

2. BASE FUNDING REDUCTION [LFB Paper 245]

GPR	- \$34,400
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Governor/Legislature: Reduce the agency's GPR state operations appropriation by 5% of the adjusted base level (-\$17,200 annually).

3. SASI INITIATIVE

GPR	\$20,600
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Governor/Legislature: Provide \$10,300 annually for basic desktop information technology support as part of a small agency support infrastructure (SASI) program. This support is currently provided to small agencies by DOA. The proposed funding would support user fee charges of \$2,200 per year for each user account at the Board. The services supported include desktop applications and hardware; continuous help desk support; network infrastructure and security; centralized data storage, backup and disaster recovery; dialup service; and E-mail/messaging services.

4. REESTIMATE FEDERAL REVENUES

FED	- \$100,000
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Governor/Legislature: Reestimate federal revenues for state operations and aids to individuals and organizations by -\$50,000 annually to more accurately reflect funding received from the National Endowment for the Arts.

5. CREATION OF AN ARTISTIC ENDOWMENT FOUNDATION

Joint Finance/Legislature: Create an Artistic Endowment Foundation (Foundation) as a public body corporate and politic. The Foundation would be a nonprofit corporation organized under ch. 181 of the statutes so that contributions to it would be deductible from adjusted gross income under section 170 of the Internal Revenue Code. Under the Foundation, the following appropriations would be created: a continuing appropriation for education and marketing of the artistic endowment fund, an annual segregated appropriation from the artistic endowment fund for general program operations of the Foundation; and a continuing appropriation for all moneys received as interest and earnings of the artistic endowment fund for support of arts programs less the amounts appropriated for general program operations. Create an appropriation under the Arts Board for funds received from the Artistic Endowment Foundation for operating support of arts organizations and for grants under the Wisconsin reganting program.

Create a segregated, nonlapsible trust fund designated as the artistic endowment fund to consist of all gifts, grants, bequests or other contributions made to the fund and all gifts, grants, bequests or other contributions made to the Foundation as well as proceeds from the issuance of special arts-related license plates.

Establish a 14-member board of directors for the Foundation, eight of whom are appointed by the Governor with the advice and consent of the Senate. The other members would be the chairperson of the Arts Board or the chairperson's designee, the executive secretary of the Arts Board as a nonvoting member, and four legislators representing the majority and minority parties of each house of the Legislature. The members appointed by the Governor would serve staggered seven-year terms, and at least one of them would need to be knowledgeable in marketing and fund raising for the arts. The eight gubernatorial appointees

would have to be state residents and would represent the diverse artistic interests of the state as well as each of the geographic regions of the state, and could hold office until a successor is appointed. The Board would annually elect a chairperson and could elect other officers, as considered appropriate. Seven voting members would constitute a quorum, and the Board could take action upon a vote of a majority of the voting members present, unless the bylaws of the Foundation were to require a larger number. The terms of the initial Board appointments by the Governor would be set as follows: two of the Board members appointed for two-year terms; two members appointed for four-year terms; and two members appointed for six-year terms. No board member could receive compensation for performing board duties, but would be reimbursed for actual and necessary expenses, including travel expenses.

Provide the Board the powers of the Foundation, and all of the powers necessary and convenient to carry out its duties. The general powers and duties would include the following: make, amend, and repeal bylaws for the conduct of its affairs; adopt a seal and alter that seal; sue and be sued; maintain an office; solicit and accept donations of money, property, and art objects; execute contracts and other instruments; employ legal, financial, technical or other experts and any other necessary employees and fix their qualifications, duties and compensation; establish arts programs with the advice of the Arts Board and statewide arts organizations; and convert any noncash gift, grant, bequest or other contribution to the Foundation to cash.

Establish responsibilities for the Foundation related to distribution and receipt of grants and gifts. Provide that the Foundation would need to ensure to the greatest extent possible the equitable distribution of funds and other support among all of the following: the various geographic regions of the state; urban, suburban, and rural areas of the state; and the various ethnic, racial and cultural groups of the state. Specify that the Foundation would need to appoint a licensed appraiser to evaluate each donated art object and establish the current value, appreciation and degree of risk in holding and recommended timing for sale of the art object, and would have to adopt bylaws for accepting restricted donations. Require the Foundation to annually submit to the Governor and presiding officer of each house of the Legislature an audited financial statement of the operations of the Foundation, prepared in accordance with generally accepted accounting principles and biennially review the Foundation's priorities for expenditures of the fund and report those priorities to the presiding officer of each house of the Legislature. Require the Foundation to contract for all education and marketing activities and to deposit in the state treasury all cash, gifts, grants, bequests or other contributions to the Foundation as well as all noncash gifts that have been converted to cash.

Authorize the Foundation distribute money appropriated to them to the Arts Board for programs that provide operating support to arts organizations and for the Wisconsin regranting program. In addition, the Foundation would be able to distribute moneys appropriated to them to an arts program established with the advice of the Arts Board and statewide arts organizations if, to the extent possible, it uses the Arts Board mechanisms and staff for administering and distributing the moneys and reviews the program biennially. Of the total amount distributed by the Foundation in any fiscal year that constitutes earnings on

unrestricted donations, the Foundation would be required to distribute at least 50% to the Arts Board. The Foundation could not distribute moneys to the Arts Board in any fiscal year in which the Foundation determines that the amount of general purpose revenue appropriated to the Arts Board is less than the amount appropriated in the previous fiscal year.

Prohibit the dissolution of the Foundation unless the Legislature enacts a law ordering dissolution.

For information regarding income tax credits for donations to the artistic endowment fund, see "General Fund Taxes -- Individual Income Tax".

[Act 16 Sections: 465r, 467m, 1102m, 1104m, 1143m, 1414m, 3128m and 9105(1h)]

6. LICENSE PLATE TO SUPPORT THE ARTS

Joint Finance: Require DOT to issue license plates to persons interested in expressing their support of the arts. In addition, require DOT to consult with the Executive Secretary of the Arts Board before specifying the word or symbol used on these license plates. Specify that applicants for the plate, in addition to the fee for the vehicle registration or other fees, would pay a \$15 issuance and reissuance fee, to be deposited in the transportation fund and an annual \$20 fee (or a \$40 fee for vehicles registered on a biennial basis) as long as the plate is maintained. Deposit the first \$196,700, or an amount equal to actual production costs, whichever is less, of the revenue from the \$20 (or \$40) fee in the transportation fund and allocate the remaining revenue to the proposed artistic endowment fund. Specify that the \$20 (or \$40) fee would be deductible as a charitable contribution to the extent permitted under current law. See "Department of Transportation -- Motor Vehicles" for more information on this item.

Senate/Assembly/Legislature: Delete provision.

7. ELIMINATE PERCENT FOR ART PROGRAM

Assembly: Eliminate the current law percent-for-art program and 1.0 PR administrative position. The fiscal effect of eliminating this program starting in 2001-02 is unknown. Under the percent-for-art program, at least two-tenths of one percent of the cost of new state building projects exceeding \$250,000 must be used to purchase original works of art for display in or around the project and to pay for the program's administrative costs. This provision would first apply to contracts for building projects entered into on the effective date of the bill. In 1999-00, expenditures for the program totaled \$168,700 PR including \$59,800 PR for administrative costs.

Conference Committee/Legislature: Delete provision.